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measuring growth

summitREIT

ANNUAL REPORT 2002

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WITH THE COMPLETION OF MAJOR PORTFOLIO AND PROPERTY ACQUISITIONS OVER THE PAST TWO YEARS, SUMMIT REIT HAS BECOME CANADA'S LARGEST PUBLICLY-TRADED INDUSTRIAL LANDLORD. SUMMIT WILL CONTINUE TO INCREASE ITS PRESENCE IN THE LIGHT INDUSTRIAL / FLEX SPACE SECTOR, ONE THAT HAS HISTORICALLY DEMONSTRATED HIGHER AND MORE STABLE INCOME RETURNS THAN ANY OTHER REAL ESTATE SECTOR.

inch x inch





Property Management

With the launch of Summit REIT Property Management Ltd. in 2002, we are leveraging the significant skills and proven expertise of our 113 property management professionals to deliver a full range of “best-in-class” services to our growing base of industrial tenants across the country. Our experienced property managers and site supervisors are readily available to assist tenants in construction, painting, electrical, plumbing, landscaping and a variety of other areas. Through a number of innovative programs, our leasing professionals are maximizing occupancy and tenant retention across the portfolio. By now offering our own comprehensive and consistent suite of management services, we develop closer and more enduring relationships with our tenants, ensuring we meet their needs today, and in the future. In addition, we anticipate realizing savings in our property management expenses through economies of scale and cost synergies as our property portfolio continues to grow, while the expected profitability of the operation will benefit Unitholders now and even more so over the longterm. We also have a significant opportunity to build our market presence as Canada’s Industrial Landlord through identifiable signage, uniforms and other branding initiatives.

foot x foot





Our Portfolio

Since becoming a publicly-listed trust in 1996, Summit REIT has successfully executed a carefully defined program to expand its portfolio to where we now own almost 24 million square feet of gross leaseable area valued at over \$1.4 billion. This strong track record of growth, and our accelerating focus on the light industrial sector, has transformed Summit into Canada's largest publicly-held industrial landlord and the single largest in Calgary, Edmonton and Halifax, second largest in the Greater Toronto Area, and one of the top five in Montreal. Our properties also include adjacent parcels of vacant and zoned land on which we are adding new leaseable space based on tenant demand, supported by our recent strategic alliance with Giffels Design-Build Inc., and Giffels Management Limited (Giffels), one of Canada's most respected design-build companies. Not to be confused with the heavy industrial sector, our light industrial / flex space portfolio generally consists of one or two storey properties located in major cities. They are home to such activities as warehousing and storage, showrooms, product assembly, shipping and logistics, call centers and technical support, professional services, and a number of other similar uses.

mile x mile





Our Tenants

As Canada's Industrial Landlord, Summit is home to more than 3,000 businesses and institutions, including most of Canada's national banks, many multi-national corporations, leading wholesalers, a number of federal and provincial government agencies as well as numerous other solid national and international companies. Many are large and well-known entities possessing superior credit ratings, factors that ensure our revenues are stable, consistent and predictable. Our risk profile is further reduced, as no single industrial tenant accounts for more than 1.2% of our total revenues. In addition, our growing and solid base of tenants encompasses a wide diversity of businesses and economic activities, ensuring we are not exposed to any one type of business or geographic region. In fact, because our revenue base is derived from almost every economic activity that occurs in Canada, it can be considered as a proxy for the total economy. With this broad tenant base, we have much less risk to economic downturns than any other type of real estate. Finally, our proactive and high-quality property management programs and initiatives ensure we maintain close relationships with our tenants, enhancing occupancies, rents, and returns to our Unitholders.



city x city

EDMONTON

CALGARY

VANCOUVER

WINNIPEG

MONTREAL

OTTAWA

HALIFAX

TORONTO

LONDON

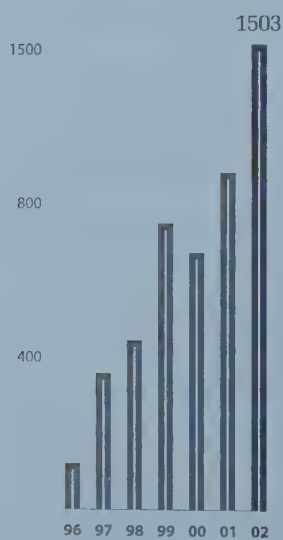


Our Exclusive Focus

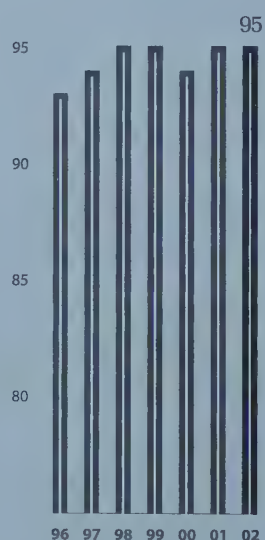
Going forward, we are focusing exclusively on building our presence in the light industrial / flex space real estate sector, with an immediate emphasis on the Canadian market. There are a number of reasons for this concentration. Over the past fifteen years, light industrial properties have consistently demonstrated the highest and most stable income returns than any other type of real estate. The solid performance of industrial real estate through all economic cycles results primarily from relatively lower maintenance costs, tenant inducement expenses and capital improvement costs, and the wide diversity of the tenant base. Another key attribute is the size and liquidity of the sector. With over 1.2 billion square feet among the country's seven major regional markets, the light industrial sector is by far the largest real estate class in Canada. In order to maintain our strong track record of growth and performance, we are focusing on a sector that possesses the opportunity for us to attain sufficient critical mass to significantly enhance Unitholder returns. Finally, the diversified nature of industrial real estate provides stability of returns that generally track the overall economy, providing predictable and consistent income and cash flow.

Major Accomplishments

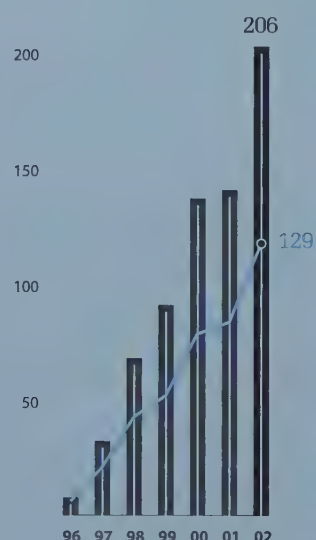
- *Accretive acquisitions and solid property management generated a 43% increase in revenues and a 60% increase in recurring distributable income in 2002.*
- *Strengthened presence in all major markets across Canada with the purchase of properties totaling 10.6 million square feet.*
- *Accelerated focus on the industrial sector with the sale of nine non-core properties for proceeds of \$75.9 million.*
- *Strengthened financial position and reduced costs with innovative debt and equity financings.*
- *Launched subsidiary Summit REIT Property Management Ltd. to manage light industrial property portfolio.*



TOTAL ASSETS
(in millions of dollars)



OCCUPANCY
(% percentage)



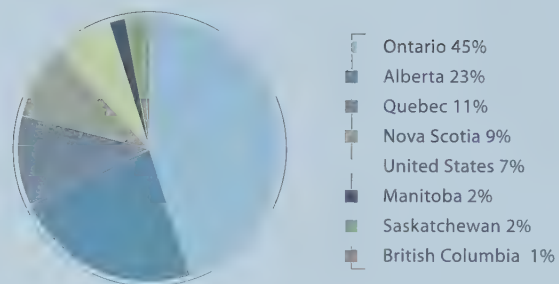
NET OPERATING
INCOME AND REVENUES
(in millions of dollars)

2002 Highlights



ANNUALIZED NET OPERATING INCOME BY
PROPERTY TYPE

(% of annualized net operating income)



ANNUALIZED NET OPERATING INCOME BY
GEOGRAPHIC LOCATION

(% of annualized net operating income)

year ended December 31

(in \$,000 except per unit amounts)

	2002	2001	2000
Operating Revenues	\$ 206,340	\$ 144,271	\$ 141,703
Net Operating Income	128,774	88,410	85,531
Net Income	59,380	40,040	36,927
Distributable Income	69,401	46,292	43,718
Recurring Distributable Income*	70,792	44,350	41,217
Distributable Income per Unit	\$ 1.59	\$ 1.61	\$ 1.68
Recurring Distributable Income per Unit*	\$ 1.62	\$ 1.54	\$ 1.59
Distributions per Unit	\$ 1.53	\$ 1.53	\$ 1.53
Net Income per Unit	\$ 1.34	\$ 1.34	\$ 1.38
Real Property Investments	1,461,013	1,033,884	816,578
Weighted Average Units Outstanding	43,792	28,842	25,980
Properties:			
Number of properties	346	229	101
Gross leaseable area (sq. ft. in thousands)	23,853	14,048	9,886

* excludes gains / losses on property dispositions

Report to Unitholders

Significant portfolio and property acquisitions, combined with a number of other successful initiatives, resulted in strong growth in both operating revenues and distributable income in 2002. Most importantly, these accomplishments have established a strong foundation for solid, consistent growth and performance going forward.

Major light industrial / flex space portfolio acquisitions in the fourth quarter of 2001 and the first quarter of 2002, combined with additional property purchases in Toronto and Alberta during the year, doubled the size of our portfolio and transformed Summit into Canada's largest publicly-held industrial landlord. Currently our light industrial portfolio contributes over 70% of our consolidated net operating income and more than 84% of gross leaseable area.

This strong growth generated a 43% increase in operating revenues in 2002. In addition, the significant increase in the size and scale of the portfolio produced numerous operating synergies and economies of scale that contributed to our 60% increase in recurring distributable income for the year. Finally, despite the uncertainty in the Canadian economy, average occupancy remained consistent at 95% throughout 2002. We are proud of our operating and financial performance in 2002, achievements that strongly position us to meet our objective of delivering reliable and sustainable cash distributions to our Unitholders.

Most importantly, our performance in 2002 resulted in a

total return of 10.3% for our Unitholders, significantly higher than the 8.6% average of all Canadian REIT's and the negative 12% return for the Toronto Stock Exchange.

We accelerated our primary focus on the light industrial sector with the sale of nine non-core properties in 2002 for total proceeds of \$75.9 million. Going forward we will continue to execute our carefully defined plan to sell non-core properties, providing us with additional funds to increase our presence in the light industrial sector.

We strengthened our financial position and liquidity in 2002 with two equity offerings, raising over \$237 million to finance the year's acquisitions. Most importantly, we produced a 5.2% rise in recurring distributable income per unit in 2002, clear proof that our strict focus on accretive acquisitions is working.

We also completed an innovative \$147.5 million debt financing through the issuance of Commercial Mortgage Pass-Through Certificates. This transaction will generate significant cash savings going forward due to lower interest rates and reduced principal payments. Increased acquisition credit lines will also provide the financial strength and flexibility to capitalize on growth opportunities. As of December 31, 2002, we had the capacity to purchase an additional \$294 million in new properties.

In April 2002 we established and introduced Summit REIT Property Management Ltd. to our growing base of industrial tenants. With this new subsidiary company we will internally

manage our light industrial portfolio, providing our tenants with superior service and a consistent approach to meeting their needs. By internalizing property management we also anticipate generating savings in our future operating costs through economies of scale as our portfolio grows, resulting in enhanced cash flow and income growth for our Unitholders. In addition, we have an excellent opportunity to build our market presence and awareness through signage, uniforms and other branding initiatives.

Looking ahead, we have established a number of objectives to help us realize our goal of continuing to deliver secure and solid returns to our Unitholders.

We will continue to evaluate accretive acquisitions in the light industrial / flex space sector that meet our strategic criteria. Our focus will be on the Canadian industrial market, one that possesses sufficient size and liquidity to achieve our goals. We will accelerate growth through focused property expansion opportunities on our vacant land based on tenant demand, supported by the recent strategic alliance we established with Giffels, one of Canada's most respected design-build companies. Over the long term, we will build a dominant position in each of our chosen markets, providing us with the scope and scale to enhance our returns on investment. The disposition of identified non-core properties will further accelerate our focus and provide additional funds to realize our growth targets.

We will continue to diversify the available inventory of

properties in our portfolio. With a variety of ceiling heights, locations, bay sizes and loading styles, we will have the appropriate space to meet the needs of our current and prospective tenants now, and as they grow.

Summit will continue to seek accretive acquisitions and enhance its net operating income through proactive property and financial management in order to achieve its goal of generating continued growth in recurring distributable income. At the same time, we intend to reduce our payout ratio towards 85 – 90% by retaining more distributable income to help meet our capital improvement, expansion and growth objectives. Most importantly, the reduction in our payout ratio will be achieved without any impact on cash distributions to our Unitholders.

In closing, on behalf of the Trustees, I want to thank everyone at Summit for their hard work and commitment. The achievements realized over the past year have established the solid foundation for continued success as we build on our position as Canada's Industrial Landlord.



Louis Maroun
President and Chief Executive Officer
March 24, 2003

Executive Team



Louis Maroun President, Chief Executive Officer and Trustee, **Kathy Harder** Vice President, Property Management and President, Summit REIT Property Management Ltd., **Paul Dykeman** Executive Vice President and Chief Financial Officer, **Jon Robbins** Vice President, Investments – National, **Craig Newell** Vice President, Finance, **Mark Hazell** Senior Vice President, Portfolio Management.

Real Property Investments

INDUSTRIAL PORTFOLIO LISTINGS

Prov	City	Market	# of Properties	# of Bldgs	# of Tenants	GLA	Occupancy %
BC							
Total British Columbia		Vancouver	5	8	15	862,761	96.8%
AB	Calgary	Central Calgary	18	20	170	1,009,761	93.7%
		Foothills	11	11	47	1,263,487	93.6%
		Northeast Calgary	6	7	35	524,945	89.7%
		Southwest Calgary	1	1	3	91,734	100.0%
			36	39	255	2,889,927	93.2%
	Edmonton	North Edmonton	11	15	59	879,757	98.0%
		South Edmonton	15	30	225	1,687,720	93.8%
			26	45	284	2,567,477	95.2%
		Total Alberta		62	84	539	5,457,404
SK		Regina	1	1	1	56,255	100.0%
		Saskatoon	1	1	1	144,296	100.0%
Total Saskatchewan			2	2	2	200,551	100.0%
MB							
Total Manitoba		Winnipeg	14	18	105	891,347	90.1%
ON	GTA	Vaughan	19	22	76	1,377,524	99.7%
		Markham	26	26	72	830,573	96.4%
		Scarborough	10	13	69	1,032,483	100.0%
		Mississauga	101	127	446	4,199,539	94.1%
			156	188	663	7,440,119	96.2%
	Other Ontario		4	22	133	492,341	86.4%
		Ottawa	8	11	66	671,216	98.7%
		Total Ontario		168	221	862	8,603,676
	QC	Montreal	West Island	16	16	104	1,095,928
East Montreal			2	2	18	148,600	100.0%
Laval			6	6	57	417,506	95.6%
South Shore			4	4	27	283,472	100.0%
Total Quebec			28	28	206	1,945,506	97.4%
NS							
Total Nova Scotia		Halifax	13	23	282	1,188,582	95.1%
USA	Jacksonville		3	10	54	582,441	87.2%
	Tampa		2	8	29	195,139	91.4%
	Charlotte*		1	5	29	100,084	76.9%
Total USA			6	23	112	877,664	87.0%
Total Industrial Portfolio			298	407	2,123	20,027,491	94.9%

*Carolina Business Centre (100,084 sq. ft.) Sold, January, 2003

RETAIL PORTFOLIO LISTINGS

Prov	City/Market	# of Properties	# of Bldgs	# of Tenants	GLA	Occupancy %
AB	Calgary	1	11	34	62,364	100.0%
	Edmonton	7	21	90	411,876	96.8%
	Lloydminster	1	1	1	30,690	100.0%
	Olds	1	1	1	20,137	100.0%
SK	North Battleford	1	1	1	26,895	100.0%
MB	Winnipeg	1	1	1	21,840	100.0%
ON	Ancaster	1	1	13	83,033	100.0%
	Barrie	2	2	13	54,942	97.9%
	Cambridge	1	3	24	118,494	92.2%
	Campbellford	1	3	8	34,151	82.8%
	Gravenhurst	1	3	2	17,562	100.0%
	GTA	6	8	103	452,733	96.7%
	Havelock	1	8	3	14,866	83.1%
	Niagara Falls	1	1	2	18,162	100.0%
	North Bay	1	4	8	197,047	100.0%
	Ottawa	1	2	65	326,282	86.3%
	Woodstock	1	1	2	92,837	100.0%
QC	Metropolitan Montreal	7	13	45	392,875	95.6%
NS	Halifax	4	4	64	292,570	95.9%
	Truro	1	1	59	251,896	95.8%
NC	Winston-Salem	1	1	13	128,183	83.9%
Total Retail Portfolio		42	91	552	3,049,435	95.0%

OFFICE PORTFOLIO LISTINGS

Prov	City/Market	# of Properties	# of Bldgs	# of Tenants	GLA	Occupancy %
AB	Calgary	1	1	27	153,417	84.3%
SK	Regina*	2	3	14	214,032	100.0%
ON	GTA	1	1	18	92,427	68.1%
	Hamilton	1	1	34	180,849	86.7%
FL	Tallahassee	1	1	31	135,507	80.2%
Total Office Portfolio		6	7	124	776,232	86.5%

*NCO Building (80,109 sq. ft.) Sold, February, 2003

Management's Discussion and Analysis

The following discussion and analysis of the financial results and position of Summit REIT should be read in conjunction with the audited financial statements and notes to those statements for the years ending December 31, 2002 and 2001. Certain statements in this discussion can be considered forward looking, and readers are cautioned that such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contained in these forward looking statements. These risks and uncertainties are described elsewhere in this discussion and in other regulatory filings.

Overview

Summit REIT is a real estate investment trust focused primarily on the light industrial / flex space segment of the Canadian real estate market, with additional investments in the US, and in the grocery-anchored retail and office sectors. With major acquisitions of light industrial / flex space properties in the fourth quarter of 2001 and the first quarter of 2002, and other purchases throughout 2002, Summit has become the largest publicly-traded light industrial landlord in Canada. These acquisitions resulted in strong growth in revenues, distributable income and net income in 2002 compared with the prior year. Economies of scale and cost synergies resulting from the increased size of the property portfolio, combined with a strong focus on the industrial / flex space sector, generated improved operating and financial performance in the year.

Light industrial / flex space properties have historically been among the most stable in Canadian real estate, consistently generating higher income returns than all other sectors with generally lower maintenance costs and capital requirements. In addition, the scale and diversified nature of tenants in the sector provide stable returns that generally track the overall economy, producing predictable and consistent income and cash flow.

Over the long term, Summit is dedicated to maximizing distributable income and the value of its property portfolio through active property management, accretive acquisitions and selective development opportunities to expand existing properties for its tenants.

2002 Highlights

- Acquisitions of light industrial properties generated 43% growth in revenues.
- Increased revenues, combined with economies of scale and cost synergies resulting from the increased size of the property portfolio, produced a 60% increase in recurring distributable income in 2002.
- In total, 126 properties comprising 10.6 million square feet were purchased at a cost of \$486.1 million.
- Two successful public offerings of Trust Units were completed totaling 16.3 million units for aggregate gross proceeds of approximately \$237.4 million.
- Summit's focus on the light industrial sector was enhanced with the sale of nine non-core properties for total proceeds of approximately \$75.9 million.
- Summit repaid all outstanding convertible debentures amounting to approximately \$27.4 million with cash and the issuance of Trust Units.
- An innovative \$147.5 million financing was completed with Commercial Mortgage Pass-Through Certificates offered by Falcon Trust, a trust established through a Canadian Chartered Bank.
- In April 2002 Summit launched Summit REIT Property Management Ltd., a subsidiary company to manage its light industrial / flex space portfolio.

Results of Operations

For the year ended December 31

(dollar amounts in thousands, except per unit amounts)

	2002	2001
Revenues	\$ 206,340	\$ 144,271
Net operating income	128,774	88,410
Interest expense	48,466	35,384
General and administrative expenses	4,289	4,051
Net (loss) gain on sale of real property investments	(1,391)	1,942
Net income	59,380	40,040
Basic net income per unit	\$ 1.34	\$ 1.34

Gross property rental income and recoveries rose 43% to \$206.3 million in 2002 compared to the prior year. The increase in revenue resulted primarily from major portfolio acquisitions made in the fourth quarter of 2001 and the end of the first quarter of 2002, in addition to other property purchases completed during the year.

Due to the significant increase in revenues, combined with operating synergies resulting from the increased size of the portfolio, net operating income increased 46% to \$128.8 million compared to \$88.4 million in 2001. Property operating expenses increased 39% to \$77.6 million compared to \$55.9 million in 2001 due to the growth in the size of the portfolio.

Interest expense rose in 2002 compared to the prior year due to the increase in mortgages and bank loans outstanding as a result of the acquisitions completed during the year. The growth in the size of the portfolio also resulted in an increase in amortization of real property investments in the current year compared to last year. In addition, the amortization of deferred leasing costs increased due to the larger portfolio size. Portfolio occupancy in 2002 remained unchanged at 95%.

Interest income earned on cash balances held in Summit's accounts declined in 2002 due to appropriately lower cash balances held in various property accounts. These lower cash balances are the result of Summit's program of clearing all of its Canadian property bank accounts against its lines of credit on a daily basis to reduce interest expense.

General and administrative expenses increased in 2002 due to the larger property portfolio which resulted in increased staffing and professional expenses.

During 2002 Summit sold nine non-core properties for a net loss of \$1.4 million. In 2001, the sale of non-core properties generated a net gain of \$1.9 million.

The significant increase in revenue, combined with Summit's focus on property management and enhanced economies of scale, resulted in net income rising 48% to \$59.4 million (\$1.34 per unit) for the year ended December 31, 2002 compared to \$40.0 million (\$1.34 per unit) in 2001. Net income in 2002 included a net loss of \$1.4 million (\$0.03 per unit) resulting from the sale of non-core properties during the year. Net income in 2001 included net gains of \$1.9 million (\$0.07 per unit) on the sale of non-core properties.

Distributable Income and Cash Distributions

For the year ended December 31

(dollar amounts in thousands, except per unit amounts)

	2002	2001
Distributable Income	\$ 69,401	\$ 46,292
Distributable Income per Unit	\$ 1.59	\$ 1.61
Recurring Distributable Income ⁽¹⁾	70,792	44,350
Recurring Distributable Income ⁽¹⁾ per Unit	\$ 1.62	\$ 1.54
Cash Distributions per Unit	\$ 1.53	\$ 1.53
Payout Ratio	96%	95%

⁽¹⁾ excludes capital gains/losses

Distributable income for 2002, including gains and losses on the disposition of non-core properties, rose to \$69.4 million (\$1.59 per unit) compared to \$46.3 million (\$1.61 per unit) in 2001. Recurring distributable income, not including capital gains and losses, rose 60% to \$70.8 million (\$1.62 per unit) in 2002 from \$44.4 million (\$1.54 per unit) in 2001. The increase in distributable income in 2002 is primarily due to the significant contribution from the properties acquired during the year and at the end of the fourth quarter of 2001. Distributable income in 2002 included a net loss of \$1.4 million (\$0.03 per unit) resulting from the sale of non-core properties during the year. Distributable income in 2001 included net gains of \$1.9 million (\$0.07 per unit) on the sale of non-core properties.

Summit successfully completed two public offerings of Trust Units in 2002 totaling 16.3 million units for aggregate gross proceeds of approximately \$237.4 million. The proceeds were used primarily to finance acquisitions completed during the year. As a result of these equity offerings, there was a 52% increase in the weighted average number of units outstanding in 2002 compared to 2001. However, despite the increase in the weighted average number of units outstanding, recurring distributable income (not including gains or losses on property dispositions) increased 5% to \$1.62 per unit for the year ended December 31, 2002 compared to \$1.54 per unit last year. As at December 31, 2002, 51,643,054 Trust Units were issued and outstanding compared to 34,238,118 last year.

Cash distributions remained steady at \$1.53 per unit in both 2002 and 2001. Summit has a prudent and conservative objective of retaining an increasing amount of distributable income to meet its capital improvement, property expansion and growth objectives. It has established the goal of gradually reducing its payout ratio (cash distributions divided by distributable income) toward 85 to 90%, a goal it intends to achieve through the process of increasing distributable income, through accretive acquisitions and enhanced property performance, while at the same time maintaining stable cash distributions to Unitholders. The payout ratio increased slightly in 2002 to 96% from 95% in 2001 due to the capital loss on the sale of non-core assets.

Real Estate Portfolio

As at December 31

(dollar amounts in thousands)

	2002	2001
Real Property Investments	\$ 1,461,013	\$ 1,033,884
Number of Properties	346	229
Composition (% of annualized NOI):		
Light industrial / flex space	70%	52%
Office	6%	14%
Retail	24%	34%

The net book value of real property investments increased to \$1.5 billion as at December 31, 2002, from \$1.0 billion at the same time last year. The significant increase in the value of Summit's portfolio is the result of acquisitions completed during the year.

Summit successfully completed the disposition of nine non-core properties in 2002, resulting in a net loss of \$1.4 million (\$0.03 per unit). In 2001 three non-core properties were sold with a capital gain of \$4.2 million (\$0.15 per unit). This gain in 2001 was reduced by \$2.25 million (\$0.08 per unit) due to a reduction of real property investments to net recoverable amount for Summit's western office portfolio. As a result, the net gain was \$1.9 million (\$0.07 per unit) in 2001.

Details of the properties sold in 2002 are shown in the following table. The dispositions were part of a strategy to dispose of non-core properties that did not meet Summit's investment criteria, and to focus the portfolio on predominantly the light industrial / flex space sector of the Canadian real estate market.

Disposition	City	Prov	Type	Built	GLA (sq. ft.)	Sale Price (000's)	Cap Rate
520 – 5th Avenue	Calgary	AB	Office	1982	181,300	\$ 23,200	9.88%
Aldershot	Burlington	ON	Retail	1961	121,691	3,700	6.22
Atrium I	Calgary	AB	Office	1979	103,343	11,550	10.58
Atrium II	Calgary	AB	Office	1971	103,026	11,450	10.69
Campbell Business	Edmonton	AB	Retail	1980	102,395	3,375	11.23
Dominion Centre	Calgary	AB	Office	1980	92,930	8,900	10.57
Mainstreet Square	Airdrie	AB	Retail	1990	53,320	5,600	6.88
North Service Road	Burlington	ON	Office	1991	60,942	7,025	9.60
1745 Sargent Avenue	Winnipeg	MB	Industrial	1956	46,368	1,055	N/A ⁽¹⁾

⁽¹⁾ Building was vacant at time of sale

During 2002 Summit purchased 126 industrial / flex space buildings totaling 10.6 million square feet of leaseable space. Details of these acquisitions are shown in the following table.

Acquisition	City	Prov	Closing Date	Built	GLA (sq. ft.)	Purchase Price (000's)	Cap Rate
Aquest Portfolio (110 bldgs.)			Mar/02			\$ 351,125 ⁽¹⁾	9.72%
Vancouver (4 bldgs.)	Vancouver	BC		1956-91	706,170		
Calgary (26 bldgs.)	Calgary	AB		1967-85	1,666,439		
Edmonton (17 bldgs.)	Edmonton	AB		1952-90	1,393,431		
Regina (1 bldg.)	Regina	SK		1971	56,255		
Saskatoon (1 bldg.)	Saskatoon	SK		1954	144,296		
Winnipeg (8 bldgs.)	Winnipeg	MB		1956-97	571,133		
Greater Toronto Area (GTA) (17 bldgs.)	GTA	ON		1977-2000	1,163,270		
Ottawa (2 bldgs.)	Ottawa	ON		1974-90	266,741		
Other Ontario (3 bldgs.)	Various	ON		1974-80	78,526		
Montreal (22 bldgs.)	Montreal	QC		1975-90	1,494,540		
Halifax (9 bldgs.)	Halifax	NS		1972-84	640,097		
Alberta Portfolio (8 bldgs.)			Mar/02			52,700	10.53
Calgary (4 bldgs.)	Calgary	AB		1976-81	553,910		
Edmonton Area (4 bldgs.)	Edmonton	AB		1966-92	642,847		
Foothills	Calgary	AB	Jul/02	1978	251,112	7,825	10.80
GTA Portfolio (4 bldgs.)	Toronto	ON	Sep/02	1997-99	451,117	25,800	9.65
Meridian Business Centre	Calgary	AB	Dec/02	1998	143,154	10,675	9.40
350 Creditstone Road	Vaughan	ON	Dec/02	1987	145,181	8,100	10.00
1170 Invicta Drive	Oakville	ON	Dec/02	2001	190,358	10,675	9.10
Total					10,558,577	\$ 466,900⁽²⁾	

⁽¹⁾ includes land purchases

⁽²⁾ excludes closing costs

As a result of these purchases and dispositions made in 2002, Summit has approximately 70% of its portfolio in the industrial / flex space class, 24% in retail and 6% in the office sector, based on annualized net operating income. On a square footage basis, 84% of the portfolio is light industrial / flex space, 13% retail and 3% office.

Leasing Costs / Lease Rollover

Summit REIT places a very high value on tenant retention as the cost to retain a tenant is typically far lower than that to attract a new one. Lost rent due to unoccupied space is minimal, and leasing commissions and tenant inducements are less than those required to put new tenants in place. In the year ended December 31, 2002 Summit incurred \$13.5 million in leasing costs compared to \$8.5 million in 2001. The increase in 2002 is due primarily to the increased size of Summit's portfolio.

Leases expiring (in sq. ft.)	2003	2004	2005	2006	2007
Industrial	3,484,617	3,017,475	3,562,211	2,098,664	2,284,015
Office	98,587	179,645	76,226	62,672	96,903
Retail	361,595	204,050	170,035	251,600	768,914
	3,944,799	3,401,170	3,808,472	2,412,936	3,149,832
% of total GLA	16.5%	14.4%	15.9%	10.2%	13.2%

Occupancy

Summit has worked diligently to maintain a successful level of occupancy throughout its portfolio. For the last five years portfolio occupancy has remained in the 93% to 95% range, ending 2002 at 95%. Summit has completed lease renewals and entered into negotiations with many of its tenants occupying spaces greater than 25,000 square feet whose leases expire in 2003. As a result, Summit expects the portfolio will maintain its high occupancy levels through 2003.

Liquidity and Capital Resources

As at December 31

(dollar amounts in thousands)

	2002	2001
Real Property Investments	\$ 1,461,013	\$ 1,033,884
Total Assets	\$ 1,502,839	\$ 1,066,904
Mortgages Payable	735,529	558,161
Total Liabilities	843,661	609,763
Convertible Debenture	—	27,356
Unitholders' Equity	659,178	429,785
Total Liabilities and Equity	\$ 1,502,839	\$ 1,066,904

The major changes to Summit's balance sheet as at December 31, 2002 compared to the prior year-end reflect the acquisitions, dispositions and debt and equity financings completed during the year.

Mortgages payable increased to \$735.5 million in 2002 from \$558.2 million in 2001. During 2002 Summit assumed mortgages of \$115.4 million on 21 newly acquired properties. In addition, 65 properties were financed generating \$162.9 million in new funds, including the proceeds of the Commercial Mortgage Pass-Through Certificates described below. This new funding was used to finance acquisitions and support Summit's working capital requirements. Furthermore, these financings allowed Summit to smooth out its debt maturities and extended its weighted average term to maturity to approximately 4.75 years, with no more than 16% of Summit's mortgages maturing in any one year. The weighted average interest rate of 6.9% is also relatively stable across future maturities with not more than a 1.26% deviation in any given year.

In the fourth quarter Summit, through Falcon Trust, a trust established and administered by a Canadian Chartered Bank, completed an issue of \$147.5 million in Commercial Mortgage Pass-Through Certificates, the proceeds of which were used to pay down Summit's current acquisition facility and other lines of credit. The proceeds of the financing were applied to substantially reduce the \$130 million bridge loan facility originally

used to fund the Aquest Portfolio acquisition in the first quarter. The transaction will generate significant cash savings due to lower mortgage interest rates and reduced principal repayment, while Summit's exposure to floating interest rates was reduced to 12% at December 31, 2002 from a high of 31% at September 30, 2002.

Mortgages of \$58 million were discharged during the year due to property disposal and refinancing activities, and a further \$15.2 million in principal repayments were made. Finally mortgages of \$26.2 million were assumed by purchasers on the sale of non-core properties.

During the first quarter of 2002 Summit repaid approximately \$14.9 million of outstanding convertible debentures with cash, and on September 30, 2002, retired the remaining \$12.5 million of these convertible debentures through the issuance of 795,872 Trust Units to the debenture holders at \$15.70 per Trust Unit.

The Trust had access to various lines of credit totaling \$108.1 million at December 31, 2002. In October 2002 Summit increased its acquisition credit line to \$50 million from \$25 million and renewed its \$40 million working capital line of credit for two years. At year-end, the balance drawn against these credit lines amounted to \$67.3 million.

The maximum debt leverage permitted by Summit's Declaration of Trust is 60%. However it is the strategy of the Trustees and management to operate closer to 50% over the longer term. At December 31, 2002 the Trust's debt leverage was 52.2% compared to 53.3% at the end of 2001. If Summit were to increase its borrowing to the maximum allowed under its Declaration of Trust in pursuit of a strategic opportunity, it would have the capacity to purchase approximately \$294 million in new properties as at December 31, 2002.

Unitholders' equity increased to \$659.2 million in 2002 from \$429.8 million in 2001. The majority of this increase is due to the successful completion of two public offerings that resulted in the issuance of 16.3 million units for total gross proceeds of approximately \$237.4 million.

Cash Flow

As at December 31

(dollar amounts in thousands)

	2002	2001
Funds from operations	\$ 75,638	\$ 48,488
Cash flow from operating activities	71,646	46,868
Cash flow from financing activities	276,309	139,849
Cash flow (to) investing activities	(349,400)	(187,493)

Summit generated cash from operating activities of \$71.6 million in 2002 compared to \$46.9 million last year. The increase is primarily attributable to the increase in net income generated in 2002 compared to the prior year, and positive changes in non-cash operating items, specifically reduced accounts receivable and higher accounts payable as at December 31, 2002.

Cash from financing activities increased to \$276.3 million in 2002 compared to \$139.8 million in the prior year. The change is primarily due to the two equity offerings completed during the year and funds generated through mortgage financings. Cash distributions increased due to the two successful equity offerings in 2002. In addition, as noted above, approximately \$14.9 million was employed to repay outstanding convertible debentures during the year.

Cash outflow due to investing activities increased to \$349.4 million from \$187.5 million in 2001. During 2002 Summit spent \$370.7 million on property acquisitions, net of mortgages assumed, compared to \$215.9 million last year. The disposition of real property investments in 2002 generated net cash proceeds of \$48 million, net of mortgages assumed, up from \$37.9 million last year. Capital improvements in 2002 were \$2.3 million compared to \$1.2 million in the prior year. The increase in capital expenditures is primarily due to the increased size of the portfolio. Summit anticipates spending approximately \$7.0 million in 2003 on its capital improvement program.

Summit continues to expand its existing properties based primarily on demand by existing tenants for additional space and where Summit can achieve an attractive return on capital. For the year ended December 31, 2002, Summit invested \$22.7 million in the development of new space at existing properties compared to \$7.8 million last year. The significant increase is due to the increase in tenant demand and the available land that formed part of the major portfolio acquisition in the first quarter of the year.

Tax Deferral

The Trust claims the maximum amount of capital cost allowance available in determining its annual income for tax purposes. This amount, in conjunction with other deductions, has resulted in distributions being substantially tax deferred. The taxable portion of distributions for the last five years is as follows:

Year	Taxable Portion
1998	34%
1999	0%
2000	18%
2001	26%
2002	36%

The cost for tax purposes of units held by a Unitholder will generally be reduced by the tax-deferred portion of distributions.

Risks and Uncertainties

Summit REIT has created a portfolio diversified by geography and industry. Management recognizes that markets can fluctuate independently. As a result, Summit targets the purchase and sale of its properties at the optimum time while maintaining stable and growing income from the balance of its portfolio.

Commercial real estate requires close, hands-on management to reduce the risk associated with market changes. For this reason, the REIT's senior management team is in constant contact with the property managers and leasing agents to create and implement short-term and long-term operating plans for each property. In April 2002 Summit created a subsidiary company, Summit REIT Property Management Ltd., to manage Summit's portfolio of light industrial / flex space properties. Summit's non-core retail and office assets in Canada continue to be managed by a third party Property Manager. In the United States, the REIT has entered into arrangements with property management firms active throughout the southeast United States, providing the continuity and depth of local expertise required.

Summit may also be exposed to movements in short-term interest rates. This risk is mitigated as the Trust intends to limit the amount of floating rate debt to less than 15% over the longer term. At year-end, only 12% of the Trust's debt had floating interest rates. In addition, long-term interest rate risk is minimized as the Trust structures its financing so as to stagger the maturity of its debt over future years.

The Trust is also exposed to credit risk from its tenants. Summit reduces this risk by ensuring most of its revenues come from secure tenants with no single tenant representing a material percentage of the Trust's total revenues. The diversification of Summit REIT's portfolio by region and business of its tenants further reduces the credit risk. The strong relationship that exists between Summit's property managers and tenants, as well as maintaining constant contact with its tenant base, contributes to the reduction of credit risk.

Summit is exposed to currency risk as it relates to its investment in real properties in the United States. The Trust mitigates this risk by placing a maximum of up to 75% United States debt on those assets, thereby reducing its exposure to currency risk to only the equity portion. At December 31, 2002 Summit had a net investment of \$41.0 million (Cdn.) in United States properties.

With respect to its involvement in developments, Summit is exposed to risks inherent in construction activities such as cost overruns and unanticipated delays in leasing. To mitigate such risks, Summit pre-leases a substantial portion of the space being built, and in some instances, obtains cost guarantees.

Summit REIT was among the first Canadian REITs to develop and implement a comprehensive environmental management plan. In addition to completing environmental investigations prior to the acquisition of a property, Summit has implemented a comprehensive, real-time environmental risk management program to identify areas of concern. Thorough annual environmental audits are conducted on properties as warranted. Finally, Summit has insurance to protect against losses caused by environmental problems.

Subsequent Events

Subsequent to year-end, commitments were made on several property transactions. On January 17, 2003, Summit completed the disposition of a 100,084 square foot industrial property located in Charlotte, North Carolina for total consideration of \$4.0 million US resulting in a capital loss of approximately \$350,000 US. On January 20, 2003, Summit waived conditions on the acquisition of a 68,810 square foot light industrial property located in Scarborough, Ontario for a total consideration of \$5.8 million. The transaction is scheduled to close in February 2003. On January 30, 2003, Summit waived conditions on the acquisition of three light industrial properties with a total square footage of 285,262 located in Mississauga and Cambridge, Ontario for a total consideration of \$21.6 million. The transaction is expected to close in two phases, with two properties closing in February 2003 and the third property in July 2003 after completion of an expansion.

On February 4, 2003 Summit entered into a commitment with two Canadian Chartered Banks to provide an acquisition and term financing line of credit in the amount of \$100 million. The facility will have a term of 364 days from the initial funding date and will bear interest at each bank's prime interest rate or, at Summit's option, banker's acceptance plus 1.55%.

On February 5, 2003 Summit announced it had entered into a formal strategic alliance with Giffels Design-Build Inc. and Giffels Management Limited, subsidiaries of Ingenium Group Inc. Under the alliance, Giffels will provide a full range of services to facilitate Summit's initiatives to expand its leaseable space at existing properties and construct new buildings on Summit's vacant land based on tenant demand.

Outlook

Going forward, Summit will continue to expand its presence in the highly stable light industrial / flex space sector of the Canadian real estate business.

Management will continue its program to dispose of non-core office and retail properties on an opportunistic basis. These dispositions will be timed with market conditions in each region to ensure the Trust maximizes value on these assets. The proceeds from these dispositions will be used to reduce debt, fund additional acquisitions in the light industrial sector, development/expansions and for working capital purposes. The expansion and development activities at its current properties will continue to increase leaseable space based on current tenant demand.

To enhance the size and quality of its portfolio, Summit will continue to seek out and evaluate acquisition opportunities in the light industrial / flex space sector that meet its strict criteria. In addition, select development and expansion opportunities at current properties based on tenant demand will increase leaseable space while generating strong returns on investment. Where appropriate, potential joint venture arrangements may be undertaken to expand development opportunities.

Summit believes that the size of its portfolio, its geographic reach, and the significant magnitude and diversity of its tenant base will help to sustain Summit's financial performance. Although increased competition for potential acquisitions is currently resulting in a tight market for industrial properties, management is confident it will be able to continue to expand the size of its portfolio through accretive acquisitions over the longterm.

Summit remains focused on achieving its long-term objectives of delivering strong and sustainable monthly cash distributions to its Unitholders while employing its active property management strategies to grow the value of its portfolio.

Management's Report & Auditors' Report

MANAGEMENT'S REPORT

To the Unitholders of Summit Real Estate Investment Trust

The accompanying consolidated financial statements of Summit Real Estate Investment Trust and the information included in this Annual Report have been prepared by management, which is responsible for their consistency, integrity and objectivity. Management is also responsible for ensuring that the consolidated financial statements are prepared and presented in accordance with generally accepted accounting principles in Canada. To fulfill these responsibilities, management maintains appropriate systems of internal control, policies and procedures to ensure its reporting practices and accounting and administrative procedures are of high quality.

Deloitte & Touche LLP, the independent auditors appointed by the Unitholders, is responsible for auditing the consolidated financial statements in accordance with generally accepted auditing standards in Canada, to enable the expression of their opinion on the consolidated financial statements to the Unitholders. Their report, as auditors, is set forth herein.

The Board of Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Trustees carries out this responsibility through its Audit Committee, which meets regularly with management and the auditors. The Audit Committee is composed of members who are independent of management. The consolidated financial statements have been reviewed and approved by the Board of Trustees and its Audit Committee. The auditors have direct and full access to the Audit Committee and Board of Trustees.



Louis Maroun
President and Chief Executive Officer



Saul Shulman
Chairman, Board of Trustees

Toronto, Ontario
February 4, 2003

AUDITORS' REPORT

To the Unitholders of Summit Real Estate Investment Trust

We have audited the consolidated balance sheets of Summit Real Estate Investment Trust as at December 31, 2002 and 2001 and the consolidated statements of income, unitholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Halifax, Nova Scotia
February 4, 2003

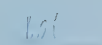
Consolidated Balance Sheets

year ended December 31
(dollar amounts in thousands)

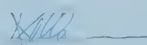
	2002	2001
ASSETS		
Real property investments (Note 3)	\$ 1,461,013	\$ 1,033,884
Cash and cash equivalents	526	1,971
Rents receivable	3,165	3,982
Other receivables	5,395	3,890
Prepaid expenses	3,524	4,065
Other assets (Note 4)	29,216	19,112
	\$ 1,502,839	\$ 1,066,904
LIABILITIES		
Mortgages payable (Note 5)	\$ 735,529	\$ 558,161
Bank loans (Note 6)	67,316	23,698
Accounts payable and accrued liabilities	33,575	22,544
Distributions in the normal course of payment	6,250	4,365
Deferred revenue	991	995
	\$ 843,661	\$ 609,763
EQUITY		
Convertible debentures (Note 7)	—	27,356
Unitholders' equity (Note 8)	659,178	429,785
	659,178	457,141
	\$ 1,502,839	\$ 1,066,904

See accompanying notes

APPROVED BY THE BOARD OF TRUSTEES



Saul Shulman



Louis Maroun

Consolidated Statements of Income

year ended December 31

(dollar amounts in thousands, except per unit amounts)

	2002	2001
INCOME		
Gross property rental income and recoveries	\$ 206,340	\$ 144,271
Property operating expenses	77,566	55,861
Net Operating Income	128,774	88,410
Interest expense	48,466	35,384
Amortization of real property investments	10,177	6,944
Amortization of deferred leasing costs	4,690	3,446
	63,333	45,774
Income from real properties	65,441	42,636
Interest and other income	111	189
General and administrative expenses	(4,289)	(4,051)
INCOME BEFORE THE UNDERNOTED	61,263	38,774
Imputed interest expense (Note 12)	(492)	(676)
(Loss) gain on sale of real property investments	(1,391)	4,192
Reduction of real property investments to net recoverable amount (Note 17)	—	(2,250)
NET INCOME (Note 10)	\$ 59,380	\$ 40,040
Basic net income per unit (Note 8)	\$ 1.34	\$ 1.34
Diluted net income per unit (Note 8)	1.33	1.31

See accompanying notes

Consolidated Statements of Unitholders' Equity

year ended December 31
(dollar amounts in thousands)

	2002	2001
BALANCE, BEGINNING OF THE PERIOD	\$ 426,685	\$ 329,869
Change in accounting policy - restricted units (Note 2g)	(1,687)	—
	424,998	329,869
Net income	59,380	40,040
Units issued from treasury	236,111	105,824
Equity offering costs	(10,281)	(5,430)
Units issued to retire convertible debentures	12,498	—
Units acquired to fund future restricted unit obligations (Note 9)	(2,812)	—
Exercise of unit options	296	681
Distributions (Note 10)	(66,828)	(44,338)
Distribution reinvestment plan	3,734	1,407
Interest on convertible debentures (Note 7)	(648)	(1,368)
BALANCE, END OF THE PERIOD	656,448	426,685
Cumulative translation adjustment	2,730	3,100
Unitholders' equity	\$ 659,178	\$ 429,785

See accompanying notes

Consolidated Statements of Cash Flows

year ended December 31
(dollar amounts in thousands)

	2002	2001
NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net income	\$ 59,380	\$ 40,040
Items not affecting cash:		
Amortization of real property investments	10,177	6,944
Amortization of deferred leasing costs	4,690	3,446
Loss (gain) on sale of real property investments	1,391	(4,192)
Reduction of real property investments to net recoverable amount	–	2,250
Funds from operations	75,638	48,488
Deferred leasing costs	(13,473)	(8,487)
Amortization of other deferred costs	159	192
Amortization of deferred financing costs	668	526
Imputed interest expense	492	676
Changes in non-cash operating items	8,162	5,473
Cash flow from operating activities	71,646	46,868
FINANCING		
Net proceeds of new mortgage financing	162,941	132,864
Mortgage principal repayments	(15,150)	(9,903)
Discharge of mortgages	(58,021)	(16,570)
Notes payable repaid	–	(11,500)
Bank loans advanced (repaid)	43,618	(12,043)
Distributions, net of distributions reinvested	(61,209)	(41,786)
Interest on convertible debentures	(648)	(1,368)
Proceeds of units issued from treasury	236,111	105,824
Units acquired to fund future restricted unit obligations	(2,812)	–
Proceeds of unit options exercised	296	681
Repayment of convertible debentures	(14,858)	–
Equity offering costs	(10,281)	(5,430)
Deferred financing cost	(3,678)	(920)
Cash flow from financing activities	276,309	139,849
INVESTING		
Acquisition of real property investments	(370,723)	(215,911)
Development expenditures	(22,739)	(7,813)
Capital expenditures	(2,324)	(1,183)
Net proceeds from disposition of real property investments	48,028	37,888
Other deferred costs	(1,642)	(474)
Cash flow (to) investing activities	(349,400)	(187,493)
NET CASH AND CASH EQUIVALENTS OUTFLOW	(1,445)	(776)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,971	2,747
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 526	\$ 1,971

Consolidated Statements of Cash Flows (continued)

year ended December 31
(dollar amounts in thousands)

	2002	2001
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
AQUISITIONS OF REAL PROPERTY INVESTMENTS	\$ 486,084	\$ 265,456
Funded through:		
Issuance of units	172,898	105,824
Issuance of mortgages	—	106,794
Assumption of mortgages	115,361	49,545
Bank loans	197,825	3,293
	\$ 486,084	\$ 265,456
DISPOSITION OF REAL PROPERTY INVESTMENTS	\$ 75,855	\$ 60,400
Mortgages assumed by purchaser	(26,151)	(20,826)
Closing costs	(1,676)	(1,686)
Net proceeds from disposition of real property investments	\$ 48,028	\$ 37,888
Interest paid	\$ 48,146	\$ 34,219

Notes to Consolidated Financial Statements

1. THE TRUST

Summit Real Estate Investment Trust (the "Trust") is an unincorporated, closed-end real estate investment trust created under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles in Canada and are substantially in accordance with recommendations of the Canadian Institute of Public and Private Real Estate Companies. The more significant accounting policies are as follows:

(a) Principles of Consolidation: The consolidated financial statements include the accounts of the Trust and its wholly-owned entities including Summit REIT Property Management Ltd. which was established in 2002 to manage Summit's Canadian industrial portfolio; Summit REIT Limited Partnership which was also established in 2002 to enter into securitized mortgages; Avista REIT; and nominee corporations established as bare trusts to hold real property.

(b) Real Property Investments: Real property investments are stated at the lower of cost less accumulated amortization and net recoverable amount. Net recoverable amount of real property investments is the undiscounted estimated future net cash flow from ongoing use together with the residual value of the properties.

Acquisition costs are capitalized as part of the cost of real property investments.

Amortization is recorded on buildings on a 5% forty-year sinking fund basis. Under this method, amortization is charged to income at an amount which increases annually, consisting of a fixed annual sum, together with a factor compounded at the rate of 5% per annum so as to fully amortize the buildings over a forty-year period.

Properties under development/expansion are stated at the lower of cost and net recoverable amount. Cost includes acquisition costs, initial leasing and financing costs, other direct costs, interest on both specific and general debt, operating revenues and expenses, property taxes, and the applicable portion of trust expenses.

Capitalization of costs to properties under development/expansion continues until the property reaches its accounting completion date, the determination of which is based on achieving a satisfactory occupancy level within a predetermined time period.

(c) Other Assets: Leasing costs, including tenant inducements and leasing commissions, are deferred and amortized on a straight-line basis over the term of the related leases.

Financing costs are deferred and amortized over the term of the related debt.

(d) Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand and balances with financial institutions and may include short-term investments with maturities of three months or less.

(e) Foreign Currency Translation: The Trust has self-sustaining real property investments in the United States, which are financially and operationally independent. Assets and liabilities of these investments are translated at the exchange rate in effect on each balance sheet date. Revenue and expenses from real property investments held in the United States are translated at the average exchange rate for the period. The resulting

gains or losses are included in a separate component of Unitholders' Equity, described as Cumulative Translation Adjustment. The change in the amount each year reflects the relative strength of the Canadian dollar against the US dollar and the change in the net investment in the United States.

(f) Unit Option Plan: The Trust has a unit option plan, which is described in Note 8. Currently, it is not the intention of the Trust to issue further grants under the Unit Option Plan. No compensation expense is recognized in respect of this plan when units or unit options are exercised by employees. Any consideration paid by employees on exercise of unit options is credited to Unitholders' equity.

(g) Restricted Unit Plans: The Trust has Restricted Unit Plans that are described in Note 9. The Trust has changed its accounting policy for its Restricted Unit Plans to conform with the requirements of the new CICA Handbook Section 3870, Stock-Based Compensation and Other Stock-Based Payments, which requires the Trust to use the fair value based method of accounting for its Restricted Unit stock-based compensation plans. Accordingly in 2002 the Trust made a cumulative adjustment to opening Unitholder's equity of \$1,686,692 to reflect the effect of applying the fair value based method of accounting on an accelerated basis to prior years. Had this policy been in effect in prior years, expenses would have been \$1,686,692 higher in 2001.

In December 2002, Summit established a restricted unit entity for the purpose of buying and holding units of the REIT, which would be segregated and used to settle stock awards at future dates.

(h) Gross Property Rental Income and Recoveries: Gross property rental income and recoveries include rents earned from tenants under lease agreements, and includes property tax and operating cost recoveries.

(i) Use of Estimates: The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as revenues and expenses for the period then ended. Actual results could differ from those estimates.

3. REAL PROPERTY INVESTMENTS

(dollar amounts in thousands)

	2002	2001
Real property investments, at cost		
Land	\$ 253,574	\$ 185,719
Buildings	1,238,937	871,515
	1,492,511	1,057,234
Less: Accumulated amortization	(31,498)	(23,350)
	\$ 1,461,013	\$ 1,033,884

Interest and general and administrative expenses capitalized for properties under development/expansions amounted to \$842,599 and \$291,154 respectively for the year ended December 31, 2002 (year ended December 31, 2001 - \$401,952 and \$247,850 respectively).

4. OTHER ASSETS

(dollar amounts in thousands)

	2002	2001
Deferred leasing costs	\$ 20,990	\$ 15,164
Deferred financing costs	5,318	2,316
Other deferred costs	2,908	1,632
	\$ 29,216	\$ 19,112

5. MORTGAGES PAYABLE

Mortgages payable bear interest at a weighted average rate of 6.90% at December 31, 2002 (at December 31, 2001 - 7.02%). The debt is secured by first and/or second charges on the Trust's interests in real property investments.

Included in mortgages payable are US \$51,860,924 (Cdn. \$81,815,794); at December 31, 2001 - US \$52,855,711 (Cdn. \$84,178,006) of mortgage obligations secured by US property which bear interest at a weighted average rate of 7.42% (December 31, 2001 - 7.43%).

Principal repayments, including mortgage maturities and weighted average interest rates over the next five calendar years, are as follows:

(dollar amounts in thousands)

	Repayments	Interest Rate
2003	\$ 118,932	6.60%
2004	78,056	7.30
2005	112,161	7.04
2006	96,153	6.72
2007	76,795	6.46
2008 and thereafter	253,432	7.05
	\$ 735,529	6.90%

6. BANK LOANS

The Trust has arranged for various lines of credit with Canadian Chartered Banks totaling \$108,096,375 at December 31, 2002 (at December 31, 2001 - \$51,200,250). As at December 31, 2002, \$67,316,570 (at December 31, 2001 - \$23,698,561) had been drawn. Certain properties have been pledged as security for these credit facilities. Interest payable on these credit facilities is at each Bank's prime rate or at the option of the Borrower, banker's acceptance plus 1.35% to 1.50% per annum if the funds drawn are Canadian dollars, or Libor rate plus 1.50% per annum if the funds drawn are United States dollars.

Included in the lines of credit noted above, the Trust entered into a non-revolving credit facility with two Canadian Chartered Banks to partially finance the acquisition of the Aquest portfolio in the amount of \$130,000,000 of which \$18,096,375 remains outstanding at December 31, 2002. The credit facility matures March 2003 and bears interest at prime or banker's acceptances plus 1.35% at the Trust's option, and is secured by fixed charges on certain properties acquired.

7. CONVERTIBLE DEBENTURES

Convertible debentures issued September 30, 1998 for \$27,356,000 bore interest payable monthly at a rate of 4% per annum for the first two years of the term and moved to 5% per annum for the last two years thereof. The convertible debentures were recorded as equity on the balance sheet, and interest on the debentures was charged directly against Unitholder's equity. On March 27, 2002, convertible debentures of \$14,858,000 were repaid in cash. On September 30, 2002, the remaining convertible debentures of \$12,498,000 were retired through the issuance of 795,872 Trust Units to the debenture holders at \$15.70 per Trust Unit.

8. UNITS ISSUED AND OUTSTANDING

Authorized – Unlimited, Voting Units

Issued and Outstanding

	2002	2001
Balance, beginning of the period	34,238,118	25,864,466
Units issued through equity offerings	16,327,703	8,200,000
Units issued to retire convertible debentures	795,872	—
Issued pursuant to distribution reinvestment plan	254,045	110,923
Unit options exercised	27,316	62,729
Balance, end of the period	51,643,054	34,238,118
Weighted average number of units	43,792,126	28,842,268

Diluted net income per unit includes conversion of the convertible debentures at the option price of \$15.70 per unit until retirement (see Note 7) and unit options having an exercise price of \$10.85 per unit until exercised. The weighted average number of units does not include the 193,947 units acquired to fund future restricted unit obligations.

Unit Option Plan

In accordance with the Unit Option Plan as amended and approved by the Unitholders, the Trust may grant options to acquire up to 5% of the aggregate issued and outstanding units of the Trust. Currently, it is not the intention of the Trust to issue further grants under the Unit Option Plan. As at December 31, 2002, the maximum number of units reserved for issuance under the Unit Option Plan was 1,209,955 (on December 31, 2001 - 1,237,271) of which 417,183 (on December 31, 2001 - 770,503) had been granted and were outstanding to employees or Trustees of the Trust. The exercise price of the unit options equals the market price of the Trust's Units on the date of grant. The unit options currently vest at a rate of 25% after each of six months, eighteen months, thirty months, and are fully vested after forty-two months. The unit options expire after sixty months and are then available for re-issuance under the Unit Option Plan.

A summary of the status of the Trust's Unit Option Plan as at December 31, 2002 and 2001, and changes during the periods ended on those dates, is presented in the following chart.

	2002		2001	
	Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price
Unit Options				
Outstanding, beginning of the period	770,503	\$ 15.19	848,242	\$ 14.80
Expired	326,004	15.91	—	—
Forfeited	—	—	15,010	11.47
Exercised	27,316	10.85	62,729	10.85
Outstanding, end of the period	417,183	\$ 14.91	770,503	\$ 15.19
Unit Options exercisable, end of the period	362,692	\$ 15.52	661,521	\$ 15.91

The following Unit Option grants to employees of the Trust were outstanding at December 31, 2002:

	Exercise Price	Unit Options Outstanding	Unit Options Vested	Expiry Date
\$	16.70	289,264	289,264	April 23, 2003
	10.85	127,919	73,428	Nov. 24, 2004
		417,183	362,692	

9. RESTRICTED UNIT PLANS

Under the terms of the Restricted Unit Plans, the Trust may grant Restricted Units to Trustees, officers, senior employees, and consultants. Restricted Units vest at 33 1/3% on each of the first, second and third anniversaries of the grant date.

The number of Restricted Units issued and outstanding:

	2002	2001
Outstanding, beginning of period	169,015	86,185
Exercised	3,582	—
Granted	74,444	82,830
Outstanding, end of period	239,877	169,015
Restricted units exercisable, end of period	110,964	28,728
Fair value of restricted units granted	\$ 15.13	\$15.10

In December 2002, Summit established a restricted unit entity for the purpose of buying and holding units of the REIT, which would be segregated and used to settle these awards at future dates. Accordingly, as at December 31, 2002, the restricted unit entity held 193,947 trust units at a cost of \$14.50 per trust unit.

The Trust recorded \$906,441 in compensation expense for the plan in 2002. As of December 31, 2002, the Trustees have approved a maximum number of units allowable for issuance under the 2002 amended and former restricted unit plans of 569,015 (on December 31, 2001 – 500,000).

10. DISTRIBUTABLE INCOME AND FUNDS FROM OPERATIONS PER UNIT

	2002	2001
Distributable income per unit (includes net (losses) gains of (\$0.03) for the year ended December 31, 2002 and \$0.07 for the year ended December 31, 2001)	\$ 1.59	\$ 1.61
Diluted distributable income per unit (includes net (losses) gains of (\$0.03) for the year ended December 31, 2002 and \$0.06 for the year ended December 31, 2001)	1.57	1.56
Basic funds from operations per unit	1.73	1.68
Diluted funds from operations per unit	1.69	1.58

Diluted distributable income and funds from operations per unit includes conversion of the convertible debentures at the option price of \$15.70 per unit until retired (see Note 7) and unit options having an exercise price of \$10.85 per unit (see Note 8) until exercised.

Pursuant to the Declaration of Trust, as described in Note 1, the Trust regularly distributes to Unitholders an amount equal to at least 80% of the Distributable Income of the Trust, adjusted at the Trustees' discretion for net capital gains.

For the period ended December 31, 2002 and 2001, distributable income and cash distributions have been determined by the Trustees as follows:

<i>(dollar amounts in thousands, except per unit amounts)</i>	2002	2001
Net income	\$ 59,380	\$ 40,040
Amortization of real property investments	10,177	6,944
Imputed interest expense	492	676
Interest on convertible debentures	(648)	(1,368)
Distributable income (includes net (losses) gains of (\$1,391) for the year ended December 31, 2002 and \$1,942 for the year ended December 31, 2001)	69,401	46,292
Retention of distributable income	(2,573)	(1,954)
Distributions	\$ 66,828	\$ 44,338
Distributions per unit	\$ 1.53	\$ 1.53

11. RELATED PARTY TRANSACTIONS

The Trust incurred professional fees with a law firm, in which certain Trustees are partners, for the year ended December 31, 2002 totaling approximately \$2,260,000 (2001 - \$1,291,000). Fees relating to property transactions and equity offerings have been capitalized, for the year ended December 31, 2002, in the amount of approximately \$2,144,000 (2001 - \$1,251,000). All other fees were expensed.

12. IMPUTED INTEREST EXPENSE

The Trust has various mortgages that bear interest at rates which were less than market rates at the time the related property was purchased. The imputed interest expense is the difference between the face rate of interest and the market rate of interest at the time the transaction was completed.

13. INCOME TAXES

The Trust is taxed as a "Mutual Fund Trust" for income tax purposes. Pursuant to the Declaration of Trust, the Trustees intend to distribute or designate all taxable income directly earned by the Trust to Unitholders of the Trust and to deduct such distributions and designations for income tax purposes. Therefore, no provision for income taxes is required for Canadian source income.

The Trust claims the maximum amount of capital cost allowance available in determining its income for tax purposes annually. This, along with other timing differences, results in the reported amounts of the Trust's net assets exceeding the tax bases by \$119,090,000 at December 31, 2002 (2001 - \$97,206,000). Upon the disposition of a real property investment, recapture of capital cost allowance previously claimed by the Trust may result in taxable income to the Trust at the time of disposition. The Trust will claim and deduct from such recaptured capital cost allowance, the capital cost allowance available to it for the year. Any excess recapture income will then be allocated to Unitholders.

Avista REIT, a wholly owned subsidiary of Summit REIT has cumulative loss carry forwards and future deductions totaling \$6 million, which may be used by the Trust in future years to reduce taxable income.

Under United States law, the Trust may be subject to tax on a portion of its United States source income. The Trust intends to designate its directly held United States source income to Unitholders such that the Unitholders will be able to claim the foreign tax credit.

14. FINANCIAL INSTRUMENTS

Financial risk is the risk arising from fluctuations in interest and foreign exchange rates and the credit quality of tenants. The Trust manages its financial risks as follows:

(a) Interest Rate Risk: Interest rate risk is minimized as mortgages are substantially financed at fixed rates and the Trust attempts to structure its financings so as to stagger the maturing of its debt, thereby mitigating its exposure to interest rate fluctuations. From time to time the Trust may also use hedges and derivative instruments to mitigate interest rate risk.

(b) Currency Risk: The Trust is exposed to currency risk as it relates to its real property investments in the United States. The Trust's exposure to unfavourable changes in the applicable exchange rate is limited to its net investment in United States real property, as its United States real property investments are self-sustaining.

Management further mitigates this risk by reducing its net investment in United States real property investments through the matching of foreign currency debt with foreign currency assets. As at December 31, 2002 the net book value of the Trust real property investments and net investment in U.S. Real Property was \$77.9 million US and \$26.0 million US respectfully (December 31, 2001 - \$78.4 million US and \$25.6 million US).

(c) Credit Risk: Credit risk arises with the uncertainties of predicting the financial difficulties tenants may experience, which could cause them to be unable to fulfill their lease commitments. The Trust mitigates this risk by having a diversified mix of tenants thereby limiting the exposure to a single tenant. Furthermore, credit assessments are conducted in respect of new leasing.

Fair Value

Fair values of financial instruments approximate amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. The estimated fair values may differ in amount from that which could be realized in an immediate settlement of the instruments.

Where available, public market information is used to express the fair value. When such information is not readily available, fair value is estimated using present value techniques and assumptions concerning the amount and timing of expected future cash flows and discount rates which reflect the appropriate level of risk for the instrument.

The fair value of mortgages payable exceeded their carrying value by approximately \$22 million at December 31, 2002 (December 31, 2001 - \$10.7 million) due to changes in interest rates since the dates on which the individual mortgages payable were assumed. The fair value of mortgages payable has been estimated based on current market rates for mortgages of similar terms. The fair value of all other financial assets and liabilities approximate their carrying value.

15. SEGMENTED FINANCIAL INFORMATION

The Trust operates various commercial properties in Canada and the United States. Information related to these property types and geographic segments for the years ended December 31, 2002 and 2001 is presented below. The accounting policies used in the preparation of the segmented information are the same as those described for the Trust in Note 2 - Accounting Policies. As such, interest and general and administrative expenses have not been allocated to the segments. The Trust primarily evaluates operating performance based on net operating income. All key financing, investing, and capital allocation decisions are centrally managed.

2002 (dollar amounts in thousands)	Retail	Industrial	Office	Unallocated	Total
Gross property rental income and recoveries	\$ 53,895	\$ 132,755	\$ 19,690	\$ –	\$ 206,340
Operating expenses	19,853	47,999	9,714	–	77,566
Net operating income	34,042	84,756	9,976	–	128,774
Amortization of real property investments	2,971	6,056	1,028	122	10,177
Amortization of deferred leasing costs	896	2,839	955	–	4,690
Loss (gain) on real property investments	852	(401)	940	–	1,391
Interest expense	–	–	–	48,958	48,958
Other unallocated expenses	–	–	–	4,178	4,178
Net income	\$ 29,323	\$ 76,262	\$ 7,053	\$ (53,258)	\$ 59,380

2001 (dollar amounts in thousands)	Retail	Industrial	Office	Unallocated	Total
Gross property rental income and recoveries	\$ 58,329	\$ 50,884	\$ 35,058	\$ –	\$ 144,271
Operating expenses	20,970	18,492	16,399	–	55,861
Net operating income	37,359	32,392	18,659	–	88,410
Amortization of real property investments	2,903	2,465	1,519	57	6,944
Amortization of deferred leasing costs	545	1,669	1,232	–	3,446
Gain on real property investments	(3,789)	–	(403)	–	(4,192)
Reduction of real property investments to net recoverable amount	–	–	2,250	–	2,250
Interest expense	–	–	–	36,060	36,060
Other unallocated expenses	–	–	–	3,862	3,862
Net income	\$ 37,700	\$ 28,258	\$ 14,061	\$ (39,979)	\$ 40,040

2002 (dollar amounts in thousands)	CANADA			US	Unallocated	Total
	West	Central	East			
Gross property rental income and recoveries	\$ 56,224	\$ 95,065	\$ 37,233	\$ 17,818	\$ –	\$ 206,340
Operating expenses	20,149	37,619	13,279	6,519	–	77,566
Net operating income	36,075	57,446	23,954	11,299	–	128,774
Amortization of real property investments	2,445	4,839	1,753	1,018	122	10,177
Amortization of deferred leasing costs	1,638	1,681	616	755	–	4,690
Loss (gain) on real property investments	1,534	(143)	–	–	–	1,391
Interest expense	–	–	–	–	48,958	48,958
Other unallocated expenses	–	–	–	–	4,178	4,178
Net Income	\$ 30,458	\$ 51,069	\$ 21,585	\$ 9,526	\$ (53,258)	\$ 59,380

2001 (dollar amounts in thousands)	CANADA			US	Unallocated	Total
	West	Central	East			
Gross property rental income and recoveries	\$ 42,626	\$ 64,601	\$ 23,602	\$ 13,442	\$ –	\$ 144,271
Operating expenses	16,540	25,708	8,782	4,831	–	55,861
Net operating income	26,086	38,893	14,820	8,611	–	88,410
Amortization of real property investments	2,014	2,647	1,183	1,043	57	6,944
Amortization of deferred leasing costs	1,391	1,108	486	461	–	3,446
(Gain) loss on real property investments	(1,134)	(3,789)	731	–	–	(4,192)
Reduction of real property investments to net recoverable amount	2,250	–	–	–	–	2,250
Interest expense	–	–	–	–	36,060	36,060
Other unallocated expenses	–	–	–	–	3,862	3,862
Net Income	\$ 21,565	\$ 38,927	\$ 12,420	\$ 7,107	\$ (39,979)	\$ 40,040

2002 (dollar amounts in thousands)	Retail	Industrial	Office	Unallocated	Total
Real property investments before accumulated amortization	\$ 371,959	\$ 1,032,638	\$ 87,577	\$ 337	\$ 1,492,511

2001 (dollar amounts in thousands)	Retail	Industrial	Office	Unallocated	Total
Real property investments before accumulated amortization	\$ 403,872	\$ 504,822	\$ 148,203	\$ 337	\$ 1,057,234

2002 (dollar amounts in thousands)	CANADA			US	Unallocated	Total
	West	Central	East			
Real property investments before accumulated amortization	\$ 427,776	\$ 648,703	\$ 289,492	\$ 126,203	\$ 337	\$ 1,492,511

2001 (dollar amounts in thousands)	CANADA			US	Unallocated	Total
	West	Central	East			
Real property investments before accumulated amortization	\$ 232,779	\$ 526,202	\$ 170,984	\$ 126,932	\$ 337	\$ 1,057,234

WEST – British Columbia, Alberta, Saskatchewan, Manitoba; CENTRAL – Ontario; EAST – Quebec, Nova Scotia

16. COMMITMENTS

Property Management Contracts

The Trust entered into a new five-year property management contract, commencing June 1, 2002, with O&Y Properties to provide property management services to Summit's Canadian retail and office portfolios. The property management contract can be terminated without penalty after the first 18 months. Property management fees are set at approximately 3.5% of cash receipts from gross property rental income and recoveries and, in most cases, are recoverable from tenants.

17. REDUCTION OF REAL PROPERTY INVESTMENTS TO NET RECOVERABLE AMOUNT

In 2001 the Trust reduced the book value of its western office portfolio in the amount of \$2,250,000, to its net recoverable amount. The decision to list these assets for sale shortened the time horizon over which the net recoverable amount was calculated.

18. COMPARATIVE FIGURES

Certain of the 2001 comparative figures have been reclassified to conform with the 2002 financial statement presentation.

19. SUBSEQUENT EVENTS

Disposition – Industrial Property

On January 17, 2003, Summit completed the disposition of a 100,084 square foot industrial property located in Charlotte, North Carolina for total consideration of \$4.0 million US resulting in a capital loss of approximately \$350,000 US.

Acquisition – Light Industrial Properties

On January 20, 2003, Summit waived conditions on the acquisition of a 68,810 square foot light industrial property located in Scarborough, Ontario for a total consideration of \$5.8 million. The transaction is scheduled to close in February 2003.

On January 30, 2003, Summit waived conditions on the acquisition of three light industrial properties with a total square footage of 285,262 located in Mississauga and Cambridge, Ontario for a total consideration of \$21.6 million. The transaction is expected to close in two phases, with two properties closing in late February 2003 and the third property in July 2003 after completion of an expansion.

Credit Facility

On February 4, 2003 Summit entered into a commitment with two Canadian Chartered Banks to provide an acquisition and term financing line of credit in the amount of \$100 million. The facility will have a term of 364 days from the initial funding date and will bear interest at each bank's prime interest rate or, at Summit's option, banker's acceptance plus 1.55%.

Distribution Reinvestment Plan

DISTRIBUTION REINVESTMENT PLAN

A Distribution Reinvestment Plan (DRIP) was implemented July 15, 1996 and, as a result, Unitholders are entitled to have all distributions of income from the Trust automatically reinvested in additional units.

These units are reinvested at a price per unit which is calculated based on the average of the weighted average of the five days prior to the payable date.

OBJECTIVES

The absence of any charges makes the DRIP a cost-effective method for reinvestment, providing for:

- growth, and
- better cash management

PROCEDURES

To utilize the Distribution Reinvestment Plan, please follow these easy steps:

(1) Complete a DRIP application and send it to CIBC Mellon Trust Company or, if you wish to receive an application form, contact CIBC Mellon Trust Company.

(2) Some brokerage firms allow for Distribution Reinvestment Plans on an approved basis. Please consult your advisor to ascertain availability.

(3) Alternatively, should this avenue not be available, you have the option to register the Units in your name rather than in the name of your brokerage firm. Once you have done this, you can easily follow step 1.

(4) If your units are held in an RRSP with CIBC Mellon Trust Company, the units will be automatically reinvested. If you wish to transfer your units to a Single Purpose RRSP, to be eligible to participate in the plan or an alternative, please consult your current RRSP trustee to confirm access to the DRIP.

ENHANCED DRIP

To encourage participation in Summit's DRIP, registered Unitholders who have elected to receive their distributions in the form of units will have the right to receive an additional amount equal to 5% of their distribution. Please contact your investment dealer or visit our website at www.summitreit.com for more details.

WHO TO CONTACT

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario
M5C 2W9

Answer Line

(416) 643-5500 or 1-800-387-0825
(Toll free throughout North America)
Facsimile: (416) 643-5501
Website: www.cibcmellon.ca
Email: inquiries@cibcmellon.ca

DISTRIBUTION INFORMATION

Proposed Schedule of Income Distributions for 2003

Distribution Period	Record Date	Payable Date
January 1 – 31, 2003	January 31, 2003	February 10, 2003
February 1 – 28, 2003	February 28, 2003	March 10, 2003
March 1 – 31, 2003	March 31, 2003	April 10, 2003
April 1 – 30, 2003	April 30, 2003	May 12, 2003
May 1 – 31, 2003	May 30, 2003	June 10, 2003
June 1 – 30, 2003	June 30, 2003	July 10, 2003
July 1 – 31, 2003	July 31, 2003	August 11, 2003
August 1 – 31, 2003	August 29, 2003	September 10, 2003
September 1 – 30, 2003	September 30, 2003	October 10, 2003
October 1 – 31, 2003	October 31, 2003	November 10, 2003
November 1 – 30, 2003	November 28, 2003	December 10, 2003
December 1 – 31, 2003	December 31, 2003	January 12, 2004

Note: In the event of a public or private offering, there may be a requirement for unscheduled special distributions.

Trust Information

BOARD OF TRUSTEES

Saul Shulman, Q.C.

Partner, Goodman and Carr LLP –
Toronto, Ontario
Independent Trustee and
Chairman of the Board ⁽²⁾⁽⁴⁾

Eugene Bodycott

Partner, Cambridge Partners LLC –
Charlotte, North Carolina
Independent Trustee ⁽¹⁾⁽²⁾⁽⁴⁾

Donald Carr, Q.C.

Partner, Goodman and Carr LLP –
Toronto, Ontario
Independent Trustee ⁽²⁾⁽⁴⁾

Kenneth Mader, F.C.A.

Partner of Mader and Mader, Chartered
Accountants – Halifax, Nova Scotia
Independent Trustee ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Lou Maroun

President, Chief Executive
Officer & Trustee

Allan Olson

President, First Industries Corp. &
Olson Management LTD – Edmonton, Alberta
Independent Trustee ⁽¹⁾⁽²⁾⁽³⁾

John Roy

Vice-Chairman of the Board

The Board of Trustees has been constituted as a body to oversee the operations of the Trust on behalf of the Unitholders and to give direction and approvals to management following the guidelines embodied in the Declaration of Trust. The Board is composed of seven Trustees, one of whom is a member of management of the Trust.

A Nominating/Governance Committee comprised solely of independent Trustees continues to review policies and proposed processes to enhance the governance of the REIT.

(1) Member of the Audit Committee

(2) Member of the Nominating/Governance Committee

(3) Member of the Environmental Affairs Committee

(4) Member of the Human Resources &
Compensation Committee

SENIOR MANAGEMENT

Lou Maroun

President, Chief Executive Officer &
Trustee

Paul Dykeman, CA

Executive Vice President & Chief Financial Officer

Mark Hazell

Senior Vice President, Portfolio Management

Kathy Harder

Vice President, Property Management &
President, Summit REIT Property
Management Ltd.

Craig Newell, CA

Vice President, Finance

Jon Robbins

Vice President, Investments – National

OFFICE ADDRESSES

Summit Real Estate Investment Trust
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7560 Airport Road
Unit 10
Mississauga, ON L4T 4H4
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Fax: (905) 672-3114

INVESTOR CONTACT

Paul Dykeman, CA

Executive Vice President and
Chief Financial Officer

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Website: www.summitreit.com
Toll free: 1-866-786-6481
Toll free fax: 1-866-786-1300

TRANSFER AGENT AND REGISTRAR

Investors are encouraged to contact our Transfer Agent and Registrar, CIBC Mellon Trust Company, for information regarding their security holdings. They can be reached at:

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, ON M5C 2W9

Answer Line
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(Toll free throughout North America)

Facsimile: (416) 643-5501
Website: www.cibcmellon.com
Email: inquiries@cibcmellon.com

AUDITORS

Deloitte & Touche LLP

UNIT LISTING

The units are listed on the Toronto Stock Exchange under the symbol SMU.UN.

ANNUAL GENERAL MEETING

Tuesday May 13, 2003 at 10:30 am

The Ontario Club
Commerce Court South, 5th Floor
30 Wellington Street West
Toronto, Ontario

Summit Real Estate Investment Trust

40 King Street West, Suite 3000, Box 302
Toronto, ON M5H 3Y2

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